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NSC BRIEFING 9 September 1959

COMMUNIST CHINA

- I. Humiliated by failure of economic programs to come up to expectations, Mao Tse-tung and his top lieutenants appear determined to recoup prestige--both domestically and internationally.
 - A. Leadership, in ugly mood, is lashing out at domestic critics as "incorrigible" and guilty of "criminal activity."
 - B. Strong attacks on these critics suggest that party shake-up-perhaps involving some Central Committee members, but probably
 not extending into Politburo--is in offing.
 - C. Far from admitting failure, leaders insist that "leap forward" and commune programs are still in force, although obviously in modified form.
 - 1. Actually, while they had to recant on wildly exaggerated claims, 1958 production was still at record high.
 - But, during first half 1959 economic advances were far below programmed levels and leaders forced to accept much more modest goals.
 - 3. Prolonged drought in vital farm belt makes doubtful that even modest new agricultural goals can be reached.
 - 4. Little more than shell of the commune structure remains after the concessions made to dissatisfied peasants such as return of private plots, de-emphasis of communal most halls.

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- D. It is clear that there has been considerable impairment of all-wise, father image of Mao Tse-tung, but he continues to dominate party.
 - 1. Last month's Central Committee plenum was conducted by Mao, and its resolutions describe him as the "great leader of our party."
- II. Apart from their anger at domestic critics, leaders are showing exasperation with Soviet statements critical of Chinese innovations.
 - A. Chinese are speaking derogatorily of "patterns"--implying that Soviet methods are not sacrosanct--and insists that Mao's "creative" innovations are in line with basic Marxist doctrine.
 - B. A recent editorial emphasizes that the Chinese are making remarkable progress under "their own party" and "their own leader."
 - C. At very least, Peiping hopes to end oblique Soviet criticism like Khrushchev's disparaging remarks last July in Poland on the early Soviet commune experience.
 - D. Beyond this, Peiping may press for specific Soviet endorsement of the Chinese program, perhaps from Khrushchev during his visit for National Day--1 October.
- III. It is doubtful that domestic embarrassments are primarily responsible for Peiping's truculence toward West.
 - A. But in its present mood, and given necessity of leadership to salvage prestige, the Chinese are probably less than ever disposed to retreat from positions on international issues.

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FORM NO. 237 Replaces Form 30-4 which may be used. (40)

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